WHY THAT EXCESSIVE WEIGHT SHOULD BE CAUSE FOR CONCERN?

Citizen Reporter;;

;

IDRC Grant/ Subvention du CRDI: 108657-001-The Potential Effects of Sugar-Sweetened Beverages Tax on Obesity Prevalence in Tanzania

GLOOMY OUTLOOK Domestic retail prices of fuel have increased by around 58 percent in the past 12 months, and look set to rise even further

More fuel agony 'may be on the way'

With global demand rising steadily as countries come out of long lockdowns imposed after the outbreak of Covid-19, Tanzanian consumers can only brace for more agony in the coming months

By Josephine Christopher
@JocfineQ
jchristopher@tz.nationmedia.com

Dar es Salaam. Fuel consumers in the country should brace for more price pains in the immediate future as the global economic recovery from the Covid-19 pandemic is expected to boost world demand and set the stage for higher oil prices in the future.

This comes as the domestic pump prices of fuel have increased by more than 58 percent in the past 12 months since June last year, owing - among other things - the gradual increase in oil prices in the world market.

With taxes, levies and fees to various government departments accounting for about 35-40 percent of what constitute pump prices, Dar es Salaam motorists are now paying Sh2,405 for a litre of petrol, up from Sh1,520 in June, 2020.

With the global demand skyrocketing, Tanzanian consumers can only brace for more pains.

The price for West Texas Intermediate (WTI) has risen to $77 per barrel, a level last seen in November 2014 while the price of Europe's Brent North Sea oil advanced to a November 2018 peak at $77.84 per barrel, according to *AFP*.

Projections are that demand recovery would outpace supply growth in the second half of 2021 to 2022, thus pushing world oil prices from the current price to $100 per barrel.

The price increase also reflects supply limitations by the Organization of the Petroleum Exporting Countries (OPEC) and their partner countries.

Monday this week, OPEC crude oil producers cancelled a meeting to discuss increasing production in August and beyond, leaving the market in more supply-deficit and prone to price increase.

The executive director for Tanzania Association of Oil Marketing Companies (Taomac), Mr Raphael Mgaya, told *The Citizen* on Tuesday it was most likely that the domestic market would feel the pinch by the upsurge in the pump prices in the immediate future.

"Since we usually get fuel that had been ordered two months earlier, it means global prices in July would affect domestic market prices in September. Thus, with the current upward trend at the world market, fuel will be more expensive in the coming months," he said.

Mr Mgaya said there were other factors that have contributed to the upsurge of domestic pump prices, including changes in fuel levy and petroleum fees that have been imposed by the government to finance the new budget for 2021/22 fiscal year.

"There is an increase of Sh100 in fuel levy per litre of petrol and diesel, and a similar Sh100 increase in petrol fee for each litre as specified in the new legislation," he said.

The domestic prices have also been hampered by the implementation of Tanzania's local content policy for the petroleum sector which facilitated the lack of competitiveness in the market, he says.

"The policy is designed to push for more local investors participation. However, the truth is they are only few and that they don't have the capacity yet to create a competitive market, thus the volatility in fuel prices," he said.

> **Global prices in July would affect domestic prices in September**
>
> MR MGAYA | TAOMAC

According to him many of the foreign companies come from tax haven regions, thus making it cheaper for them to import fuel to Tanzania compared to local companies who are subjected to paying taxes.

"For example, you can see a foreign company's average premium is at $10 per metric ton while for local companies the average premium is as high as $45 per metric ton of fuel," he said.

The local content legislation was passed in 2017, under the Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act, The Natural Wealth and Resources (Permanent Sovereignty) Act and the Written Laws (Miscellaneous Amendments) Act.

The acts implemented a host of changes to the legal regime underpinning the management of Tanzania's natural resources, both in mining and the oil and gas sectors.

Regarding the increased fuel prices and the fears that it may rise even higher the regulator Ewura said its working hard to create a level of playing field that would protect both the interests of the suppliers and that of consumers.

"Ewura has been working to stabilize the prices and make sure they are contained at an affordable range, we have fully supported the market," Ewura communications and public relations manager, Mr Titus Kaguo, told *The Citizen*.

He said that, "without effective interventions by the authority prices could be even higher than they are now."

In line with the sector's extant legislation (Petroleum Act, 2015, section 166), prices of petroleum products are governed by the rules of demand and supply. Ewura continues to encourage competition in the sector by making available petroleum products pricing information, including cap prices which are issued monthly to enable stakeholders to make informed decisions.

Why that excessive weight should be cause for concern

By The Citizen Reporter
@TheCitizenTZ
news@tz.nationmedia.com

Dar es Salaam. The number of Tanzanians who are becoming obese (grossly fat or overweight) is rising, increasing costs associated with the treatment of non-communicable diseases(NCDs), a new study shows.

The study by the Economic and Social Research Foundation (ESRF) revealed that, apart from the rise in deaths, obesity, etc, NCDs see to individual patients incurring medical and non-medical costs totalling $1,211.78 annually, on average.

The patients also incur indirect costs, including loss of income as they spend a good chunk of their time treating NCDs like cardiovascular complications, diabetes and various cancers.

Similarly, the amount that the government spends in caring for NDC patients rose by 97 percent during the period between the 2015/16 and 2019/20 financial years.

Figures published in the report show that, while the government spent a total of $142.7 million in taking care of NDC patients during the 2015/16 financial year, the amount rose to $280.6 million in the 2019/20 financial year.

According to the study, five percent of Tanzania's adult population were obese in 2008.

This, however rose to 8.4 percent in 2016. NCDs accounted for one-third of all deaths in 2016, the study reveals.

Obesity cases were higher among females (12.7 percent) than men (4.1 percent), mostly of the population aged between 45 and 54 years.

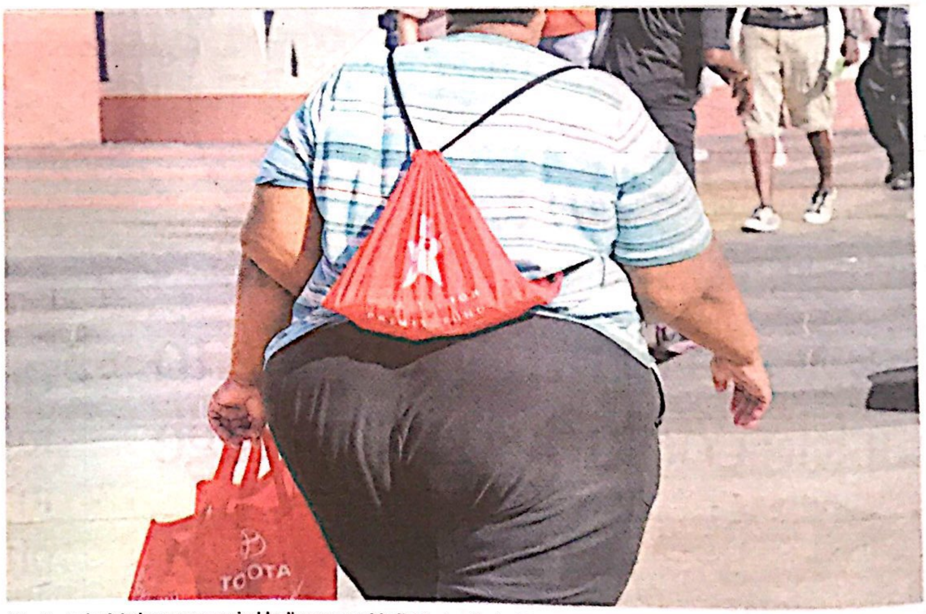
Led by ESRF's head of strategic research and publications department, Prof Fortunata Songora Makene, the study blames the lack of awareness programmes on NCDs as a key factor in the rise in cases.

It found that 97 percent of the government's total health services budget was spent on caring for NCD patients while only three percent went to management of the diseases.

Sponsored by the International Development Research Centre (IDRC) of Canada, the ESRF study built its analysis on the already established strong effect of Sugar-Sweetened Beverages (SSBs) on weight gain - and found them strongly related. To discourage the consumption of SSBs, in addition to calling for multi-sectoral measures to promote healthy eating and physical activity, the study recommends an increase in the excise duty charged, equivalent to 20 percent of the current price of sugar-sweetened soft drinks and juices, as a policy intervention measure.

"The SSB tax already exists. The proposed reform is that of increasing the tax rate rather than introducing a new tax," says the report.

The study found that middle-aged adults consumed high intake of sugary drinks, concluding that imposition of tax would help lower the intake, thereby reducing obesity prevalence by 6.6 percent overall.



Obesity and related non-communicable diseases cost individual patients $1,211.78 in medical and other expenses annually on average, according to the Economic and Social Research Foundation. PHOTO | FILE

The study calls upon urgent policy intervention by the government to arrest the trend.

The researchers recommend consultation with SSB manufacturers, consumers and other stakeholders on the proposal to ensure inclusive implementation.

The report gives evidence that the fiscal policy intervention has proved effective in many countries, including South Africa, India, Brazil, Denmark, France, United Kingdom and Bulgaria.

This is the first such study in Eastern Africa and second only to one carried out in South Africa on the continent.

Raising the excise tax on sugar-sweetened drinks by 20 percent of the price would not only complement other measures to reduce obesity but will also boost government revenues by an additional Sh452 billion annually.

Obesity and NCDs are a global concern. According to the World Health Organization (WHO), 39 percent of the global adult population, or 1.9 billion people, were overweight in 2016, while 13 percent (650 million people) were obese.

Some 41 million children under five years were also either overweight or obese.